THE HON'BLE SRI JUSTICE N.V. RAMANA

Writ Petition No. 20994 of 2005

Date: 06.11.2007

Between:

M/s. Sree Rayalaseema Paper Mills Limited, Gondiparla (post), Kurnool district, rep. by its Manager, 8-3-960/11, Srinagar Colony Road, Hyderabad.

..... PETITIONER

AND

M. Jayaramudu and others.

.....RESPONDENTS

THE HON'BLE SRI JUSTICE N.V. RAMANA

Writ Petition No. 20994 of 2005

Order:

This writ petition is filed by the petitioner-Company seeking to set aside the order dated 05.03.2004, passed by the Labour Court, Ananthapur, in M.P. No. 410 of 2002, in view of the settlement entered into between the management of the petitioner-Company and the Unions/respondents.

The few facts, which are necessary for disposal of the writ petition, are that the petitioner-Company is a sick company and registered with the Board for Industrial and Financial Reconstruction (BIFR) under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. When the issue of rehabilitation was pending before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR), the respondents herein filed M.P. No. 410 of 2002 before the Labour Court, Ananthapur, under Section 33 (c)(2) of the Industrial Disputes Act, 1947, claiming the wages and other benefits, and the same was allowed by reason of the order impugned in the writ petition. Subsequently, the AAIFR has passed orders on 20.07.2005 and issued the following directions with regard to the respondents-workmen:

> "i) To settle all the claims, closure period payments, i.e., from 1998 to restarting of the mill on par with the terms and conditions as mentioned in the MOU executed between the Unions and the new promoters on January 13,1995.
> ii) To co-operate with the new promoters for successful implementation of the scheme.
> iii) To withdraw any claims/cases filed before any courts/tribunals against the company/promoters in respect of their claims/demands."

Thereafter, as per the terms of the rehabilitation scheme, the petitioner-Company has entered into an agreement of settlement with the Unions on 06.10.2005. In terms of the said agreement, all the eligible workers were taken back in a phased manner from May 2006 to 2007 and during this period all the workers were also paid 50% of their salaries from the date of reopening of the Mill till they are taken back into service as per clause 7(b) of the agreement dated 06.10.2005. In view of the said settlement, the workers i.e., the respondents herein have given an undertaking that they shall abide by the terms and conditions stipulated in the memorandum of settlement dated 06.10.2005 entered into between the management of the petitioner-Company and the Unions and they also agreed to withdraw all the cases filed against the management of the petitioner-Company and pending before the Labour Court/High Courts and any other Forums/Court/Tribunal. In the circumstances, the petitioner-Company has filed the present writ petition seeking a direction to allow the writ petition and set aside the orders dated 05.03.2004 passed by the Labour Court, Ananthapur in M.P. No. 410 of 2000, in view of the settlement entered into between the management of the petitioner-Company and the Unions/respondents.

This Court, on 23.09.2005, while admitting the writ petition, granted interim suspension of the impugned orders passed by the Labour Court in M.P. No. 410 of 2002. Thereafter, the matter was listed on 11.10.2007 and as there was no representation on behalf of the respondents on that day, the matter was directed to be listed on 12.10.2007. Again on 12.10.2007, as there was no representation on behalf of the respondents, the matter was directed to be listed after Dasara vacation. The matter was again listed on 01.11.2007 and despite passing over the matter to 2.15 P.M., none appeared for the respondents nor there was any representation made on their behalf. Hence, the matter was directed to be listed on 02.11.2007 under the caption “for Orders”. On 02.11.2007, as there was no representation on

behalf of the respondents, again the matter was directed to be listed today under the same caption. Even today also, when the matter is called, none appeared for the respondents nor is there any representation made on their behalf.

Having regard to the facts and circumstances of the case, and in view of the agreement of settlement dated 06.10.2005 entered into between the management of the petitioner-Company and the Unions/respondents, and the undertakings given by the respondents, I am of the considered opinion that it is not proper to continue the orders dated 05.03.2004 passed by the Labour Court in M.P. No. 410 of 2000 and the same are liable to be set aside.

Accordingly, the writ petition is allowed and the orders dated 05.03.2004 passed by the Labour Court in M.P. No. 410 of 2000 are set aside. No costs.

_____

N.V. RAMANA, J.

Date: 06.11.2007
Nsr